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Anti-gas legislation to drive up Victorian energy costs

Legislation aimed at restricting the development of natural gas in Victoria threatens to drive up energy prices and destroy manufacturing jobs.

APPEA Chief Executive Dr Malcolm Roberts said the Victorian Government had chosen to ignore warnings of a looming gas supply shortage in its pursuit of green votes.

He said MPs who supported legislating to extend the existing moratorium on onshore gas development until 2020 and permanently ban fracking were effectively voting for higher energy costs.

“There is no environmental or scientific reason to ban natural gas development,” Dr Roberts said.

“Countless independent inquiries and decades of practical experience show the industry is safe. It is bewildering that a state that safely produced conventional gas onshore for 20 years until 2006 now claims it is unsafe.

“The Andrews Government is simply pandering to an activist fear campaign that will ultimately drive up energy prices and cost jobs.”

Dr Roberts said Victoria relied on natural gas more than any other state.

“Victoria desperately needs more gas development – not less. Four out of every five homes use gas; the rate of household usage is more than double the rate in South Australia and almost triple the rate in New South Wales [see table on next page].

“As a vital ingredient in many manufacturing processes, gas is also critical to the Victorian economy. Its reliability and cleaner-burning qualities also make it essential in the transition to a low carbon future.

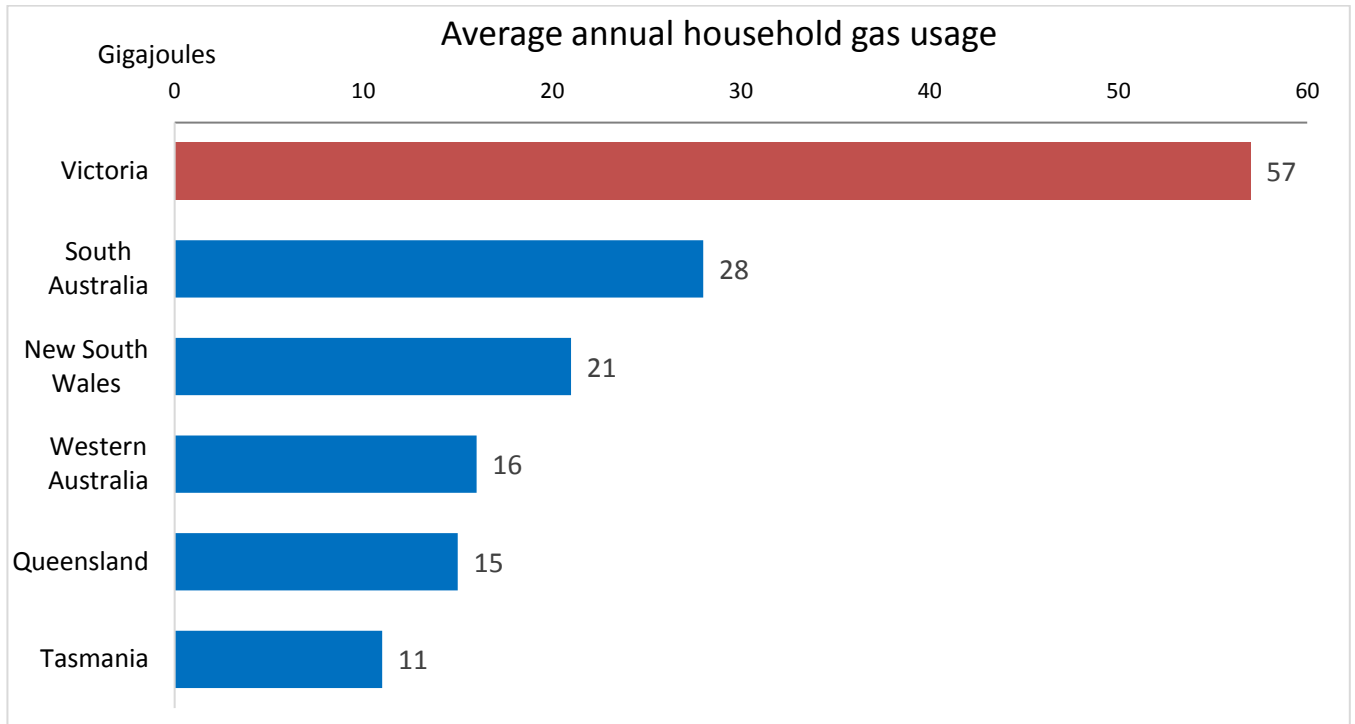
“The Australian Energy Market Operator and the Australian Consumer and Competition Commission have warned of gas supply shortfalls as early as 2019, yet the Andrews Government continues to ignore this.

“Its pursuit of more renewable energy means it will need more gas in the future to ensure a reliable energy supply.

“MPs should be absolutely clear – a vote to restrict gas development is a vote for higher gas prices for families and businesses.

“The Government should lift the moratorium on conventional gas and rethink its politically motivated ban on fracking.”

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(Source: ABS 2011)